



CEPS Forschung und Praxis – Volume 02

Acclaimed! Prizes, awards and distinctions granted by Swiss foundations

Planning, designing and informing

Georg von Schnurbein, Sara Stühlinger

Centre for Philanthropy Studies (CEPS)
Universität Basel

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This study was carried out by SwissFoundations, the Association of Swiss grant-making foundations, as commissioned by the Sophie und Karl Binding Stiftung and the Velux Stiftung.

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Preface

Does everything come at a prize? This was the title of a SwissFoundations event on foundations' awards and prizes that took place in September of this year. For foundations, prizes and awards are popular sponsorship and facilitation tools. A large number of awards and new prizes are often, however, met with a certain degree of skepticism. Indeed, awards only make sense if they have an impact. They need to have a clear profile and must also make comparisons possible. To date, however, no map on this „landscape of prizes“ has ever been drawn.

Two of our grant-making foundations became increasingly interested in learning what the „landscape of prizes“ in Switzerland might look like. The Sophie und Karl Binding Stiftung as well as the Velux Stiftung invest much time and effort in their Binding Stiftung Waldpreis („Forest Prize“) and Velux Stiftung Tageslicht Award („Daylight-Award“) – two of the most important awards given away in Switzerland. Both foundations have experienced how difficult it is to ensure successfully, the fulfilling of the prize's purpose as a facilitating instrument (prize money), as well as choosing the appropriate selection procedure, jury composition and communication, to form a successful mix that – at least for the target group – has some of the glamour of distinctions such as the Nobel Prize or the Academy Awards. Most foundation prizes involve the granting of a sum of money to a person or an institution, and thus needs to be well coordinated with other sponsorship tools and analyzed consequently.

The CEPS study mandated by the two foundations provides valuable insight into this topic by addressing new issues and should thus help to initiate a discussion on and the evaluation of foundation prizes, thereby ensuring their greater impact in the future.

Benno Schubiger and Lukas von Orelli, 30. September 2010



Reasonably prized!? What characterizes awards?

Awards come in many different shapes and colors. Hundreds of distinctions, competitions, prizes, and awards are granted by the authorities, by companies, foundations and other organizations every year – in Switzerland alone. The popularity of this sponsorship tool is based on the following myriad of forms of use:¹

- Honoring of an outstanding performance
Awards serve to confirm outstanding performance and honor deserving personalities. Thanks to the awarding of such prizes, not only will the public become aware of the person and his or her performance, the foundation – as the presenter of the award – will also stand to gain. Such awards pay tribute to a personality, create role models, and challenge us all to reflect upon our actions.
- Encouraging of future performance
In lieu of praising performance rendered and a lifetime's work, awards can also foster talent and accelerate prospering careers. Many a successful career began with the winning of a talent competition, which explains why we have a special responsibility towards competitors and award winners. Particularly in the field of art, awards granted to young artists play a decisive role, allowing them to carve out a position for themselves in public awareness.
- Launching of new themes
New and unpleasant themes require the attention of a larger audience. Awards are an ideal information and presentation platform. Given the fast pace of the media today, complex and longsome themes often disappear but can be put up on the agenda again regularly, thanks to awards.
- Creating a competitive situation
Competitions and tenders create competitive situations that can lead to an improvement of performance and ideas. Simultaneously, thanks to the tenders submitted, a foundation is able to acquire an overview of the stakeholders. The choice of topics and tasks can, in addition to this, set trends, allowing for the future development and steering of the specific field of sponsorship.

At first glance, awards are a variable and quickly implementable tool for foundations. In reality, however, a successful award requires long-term planning, consequent implementation and communication in order to unfold its impact. A award should therefore not serve as a short-term communication tool to improve upon the profile of a foundation. The reputation of an award built over the course of the years and its significance depends on former prizewinners and their careers.

Similarly, awards and tenders are inappropriate for long-term sponsorships, because there are always new prizewinners. The long-term impact of a prize should not allude to the award winners but to the purpose of a foundation, that is to say its intended impact on society, in compliance with the foundation's goals. Therefore, the winner is never alone at the focus of attention – the primary focus of the awards should be on their superordinate topic.

¹ An overview of the various different types of awards can be found at Schmidt (1998), p. 12 ff.

On the study's methodology

SwissFoundations, the Association of Swiss grant-making foundations, as well as the Sophie und Karl Binding Stiftung and the Velux Stiftung, mandated the Centre for Philanthropy Studies (CEPS) of the University of Basel to carry out this study. The study's goals involved:

1. compiling an overview of awards granted by Swiss foundations and, based on this,
2. analyzing the design and benefits of awards.

To this effect, first of all, a list of all foundations granting awards or foreseeing awards in their foundation's purpose was compiled. Web research served to gain an initial overview. Following this, the CEPS database in which all charitable foundations in Switzerland are recorded, was used to carry out an analysis of the foundations' purposes, with filtering based on keywords in German, English, and French. This resulted in a list of 392 foundations that were then all asked, in writing, to participate in a questionnaire-based survey. 15 letters were returned as undeliverable. Of the 377 questionnaires remaining, 126 were returned and evaluated, which corresponds to a pleasing response rate of 33.4 %. The number of answers provided within the scope of this study, however, was reduced to 84 foundations (22.3 %) currently granting awards. The remaining foundations stated that they do not currently grant any awards – even if this would be possible, according to the foundation's mission statement.

Where to find which information?

In chapter 1 of this report, the central results of the data evaluation provide a picture of the prevalence and granting of awards by foundations in Switzerland.

Chapter 2 provides information on structured procedures governing the planning, design, and informing of awards. This code of practice is based on web research, discussions with representatives of foundations, and the evaluation of the questionnaires. Thus, it should be made easier for foundation board members and foundation employees to grant and continue to grant awards.

Finally, chapter 3 lists, once again, ten essential questions a foundation should address with regard to the planning of a award.

1. Foundations' awards

Practically on a daily basis, reports on awards and distinctions can be found in the press. Foundations grant several such awards. For foundations such as the Paradies Stiftung or the Fondation W.A. de Vigier, such awards are the only form of profit distribution made. For other foundations, such as the Sophie und Karl Binding Stiftung or the Velux Stiftung, an award is a mean to implement the foundation's purpose in combination with other facilitating instruments. The awards granted by the foundations mentioned above involve large sums of money, but there are also a large number of smaller distinctions and competitions where prizewinners only obtain little or purely symbolic support. Other foundations refrain completely from handing out financial rewards, the distinction in itself being considered an honor.

The results of this study contribute, for the first time, to providing an overview of the many different forms of awards. In practice, this is beneficial in several respects: New awards can be planned and prepared; foundations awarding prizes can appraise their performance more precisely; potential competitors can estimate better, which performance to expect with regard to awards.

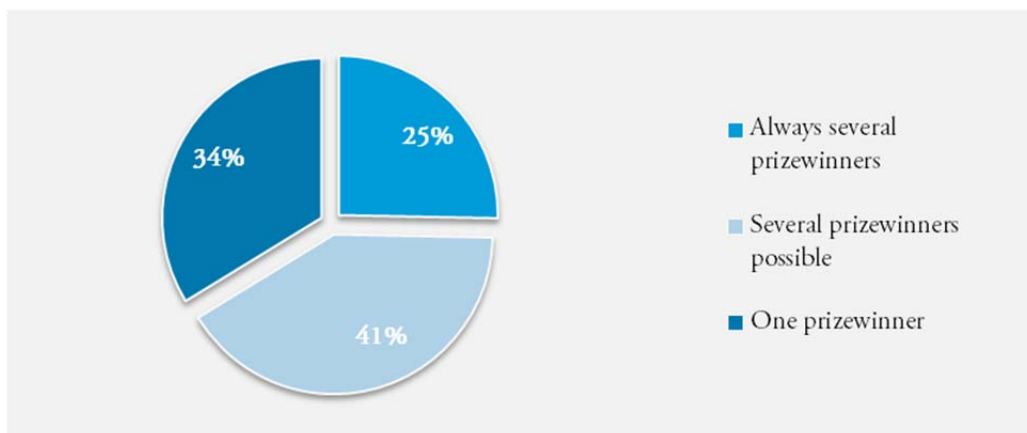
This chapter should help to ensure more transparency and better understanding for all of the stakeholders.

1.1. Number and distribution

From among the 126 questionnaires evaluated, 84 foundations stated that they award at least one prize. In other words, one third of the foundations are able to grant an award but do not do so momentarily. From among the third that does not award any prizes, six foundations (14.3 %) did grant a award in the past.

As a rule, a foundation gives away only one award. Only 22.6 % indicated that they grant several awards – usually between two to four awards. In exceptional cases, certain foundations stated that they grant nine, twelve, or even sixteen awards.

Figure 1: Number of possible prizewinners (n=83)²



² Source: Own illustration.

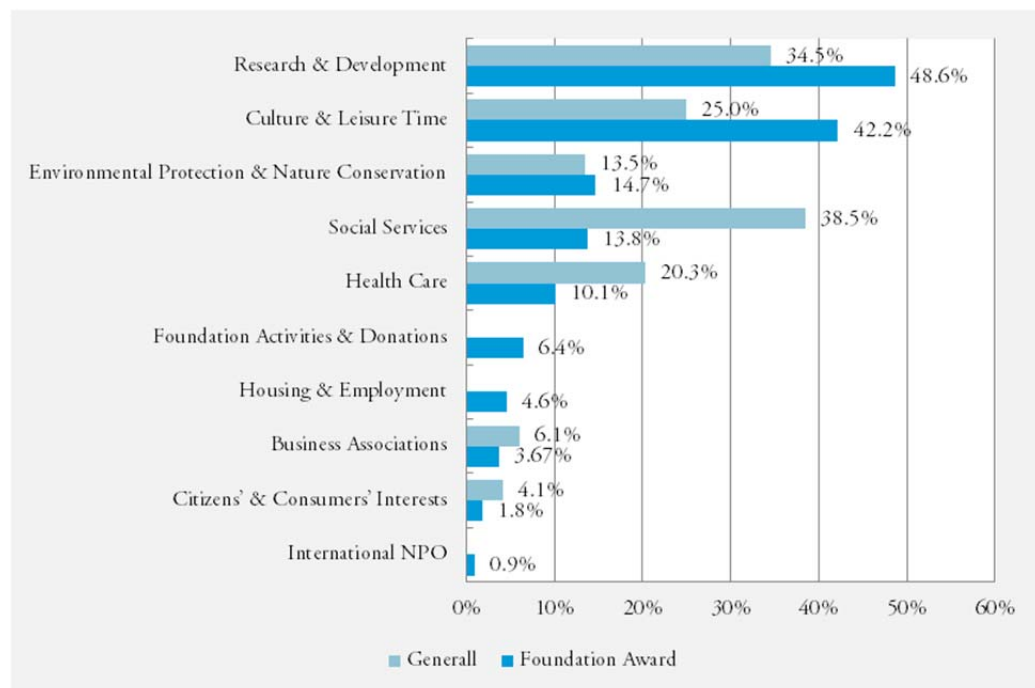
The number of prizewinners of a award can, however, vary considerably. As you can take from the following table, only approx. one third (34 %) foresees one sole award winner; one fourth of the distinctions always go to several prizewinners. The remaining 41 % can be awarded to one or to several prizewinners.

Figure 2: Key figures on foundations³

	n	Mean value	Standard deviation	Median	Min.	Max.
Assets in CHF	93	44,424,974	277,678,775	1,193,887	638	2,655,000,000
Payments CHF	81	1,750,756	5,994,546	60,000	0	46,256,000
No. of sponsorship projects	77	45	193	4	0	1,500

The distribution of assets of the participating foundations clearly demonstrates an uneven distribution (re. figure 2). There are a large number of small or smaller foundations contributing to an increase of the mean value. Correspondingly, the median is the better value to obtain an impression of the financial standing of the foundations surveyed, because it is resistant to extreme values.⁴

Figure 3: Fields of activity of foundations (n=109)⁵



³ Source: Own illustration.

⁴ See explanations on statistical values in the appendix.

⁵ Source: Own illustration. The numbers of the distribution of causes in general are taken from an earlier study, the „StifterStudie Schweiz“. cf. Helmig/Hunziker (2006).

The same picture applies to distribution. Here, the mean value is almost 30 times larger than the median. Only 30 % of all foundations distributed over CHF 500,000 in the year 2009. The minimum amounts to CHF 0, because there are foundations that did not make any payments at all in the year 2009. The sample of this survey comprises several small and a small number of very large foundations, which complies with the general characteristics of the Swiss foundation landscape.⁶

On average, the foundations surveyed in 2009 distributed approx. 3.9 % of their foundation capital. This value exceeds earlier estimates and demonstrates that, despite the financial crisis, foundations did not cut payments.

A similar picture could be made out for sponsorship projects. A small number of foundations run a very large number of projects; the majority, however, finances less than ten projects annually. There is a relationship between the number of sponsorship projects and the amounts of the payments made⁷ – although exceptions are possible.

Figure 3 illustrates the relative occurrences of fields of activity of the individual foundations. The fields Research & Development, Education, and Culture & Leisure Time are predominant; followed by Environmental Protection & Nature Conservation as well as Social Welfare. In comparison to the general payments made in line with the foundations' purposes, it becomes clear that in Health Care and Social Welfare in particular, distinctions are not typically awards. Therefore, these two fields of activity are underrepresented in this study.

With regard to the radius of operation, however, the sample largely corresponds to the overall distribution, because approx. one third is under federal supervision and the majority is registered with the cantonal supervisory bodies (cf. table 4).

Figure 4: Descriptive information on the distribution of foundations and respondents⁶

Criteria	n	Measurement results
<i>Supervisory body</i>	108	
Local	8	7%
Cantonal	58	54%
Federal	42	39%
French-speaking part of Switzerland	25	19,8%
German-speaking part of Switzerland	101	80,2%
<i>Functions of the respondents</i>	112	
President of the Foundation Board	46	41%
Members of the Foundation Board	5	5%
Members of Executive Management	26	23%
Project Managers	1	1%
Other	34	30%
Women	32	29%
Men	78	71%

⁶ Source: Own illustration.

This leads to the conclusion that there is a trend towards awards being granted domestically, often regionally. 26.8 % of the questionnaires were sent out in French to the French-speaking part of Switzerland. The share of questionnaires returned from the French-speaking part of Switzerland, however, only amounted to 19.2 %. Thus, the German-speaking part of Switzerland is overrepresented within the scope of this analysis.

Figure 5: Age pattern of the respondents⁷

	n	Mean value	Standard deviation	Median	Min.	Max.
Age	89	56	13	57	24	97
Number of years in the foundation	107	9	8	8	0	44

Foundation Board Presidents provided answers the most frequently. The category “Others” comprises a large number of foundation secretaries. 29 % of the respondents were women. The average age of the respondents is approx. 56 years (cf. table 5). The age pattern is very symmetrical around the mean value. The median and the arithmetic mean are almost equal. There are outliers, as you can take from the minimum and the maximum values. 80 % of the respondents are between 40 and 66 years of age. On average, these persons have been working for their foundation for 9 years.

1.2 Content focus

In most cases, awards are granted for specific topics. In rare cases, awards are dedicated to a super-ordinate topic (e.g. innovation) and only granted to artists, researchers, etc. according to this criterion. In comparison to a foundation’s activities in general, awards are more likely to be focused on a specific topic (cf. figure 6). Within the scope of the study, this was made particularly clear in the field of Health Care. As mentioned earlier, this is a field in which awards are not typically given away. Whereas 10.1 % of the foundations in the sample state health care support as a foundation goal, not one sole prize was granted in this field. Awards are, however, granted for Medical Research, but then they are attributed to the field of Research in general. The field of activity in which this prize is awarded is very similar to the general fields of activity of the foundations. Arts & Culture as well as Research & Development were named the most frequently.

Awards are usually only granted regionally or nationally. Only approx. 30 % of the awards are granted internationally. Two thirds of the awards are granted to natural persons only. Only 5 % of the responding foundations grant their awards exclusively to legal persons, i.e. to organizations, companies, or institutions. In the majority of the cases (80 %), the prizewinner is chosen by a jury (cf. figure 7).

⁷ Source: Own illustration.

FOUNDATIONS' AWARDS

Figure 6: Fields of activity - awards (n=82)⁸

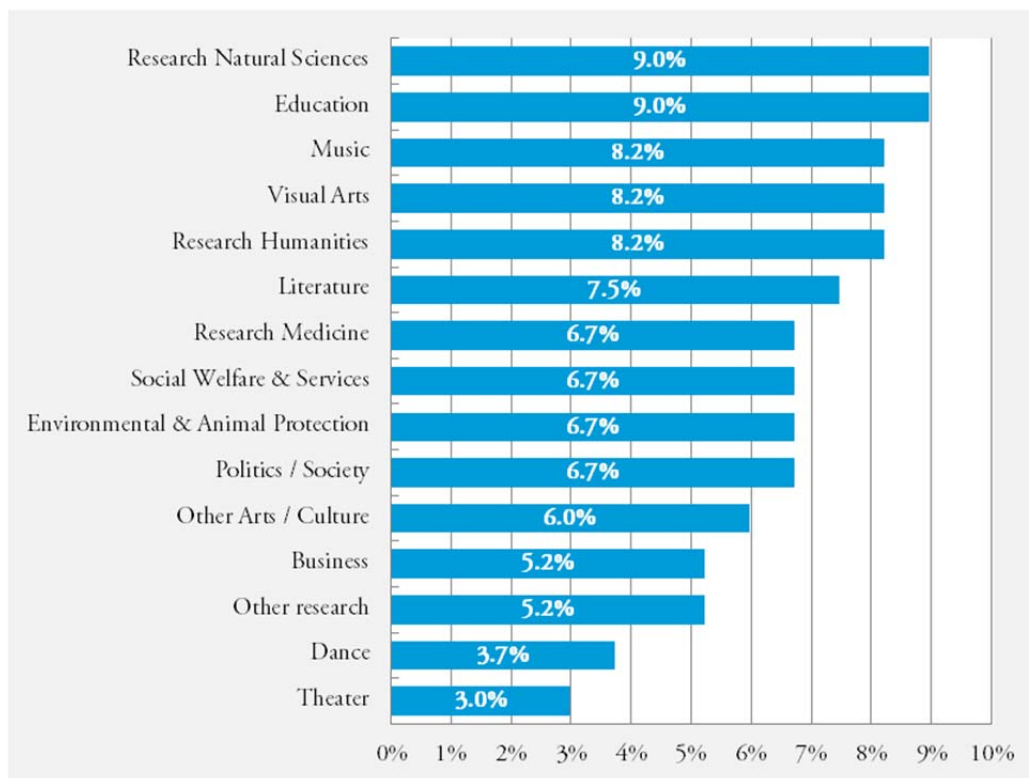
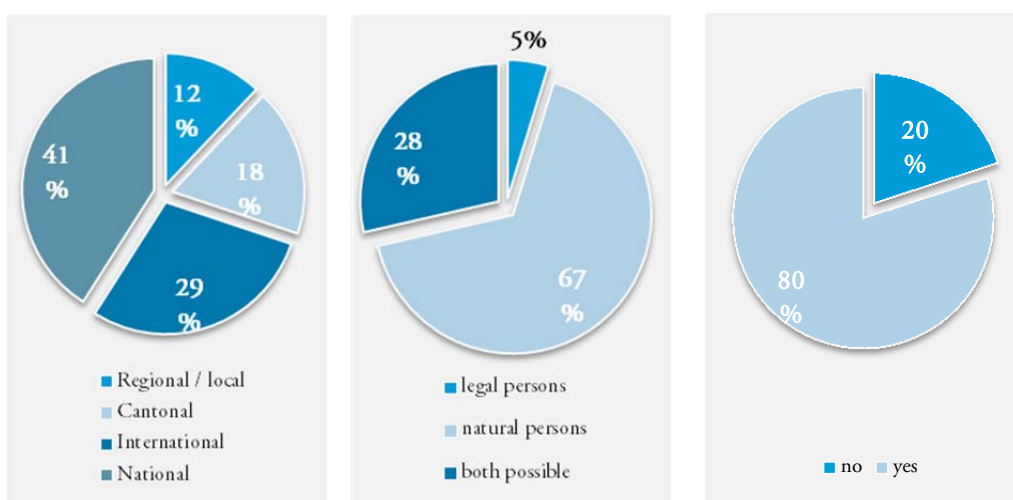


Figure 7: Geographic range, circle of applicants and existence of a jury (n=84)⁹



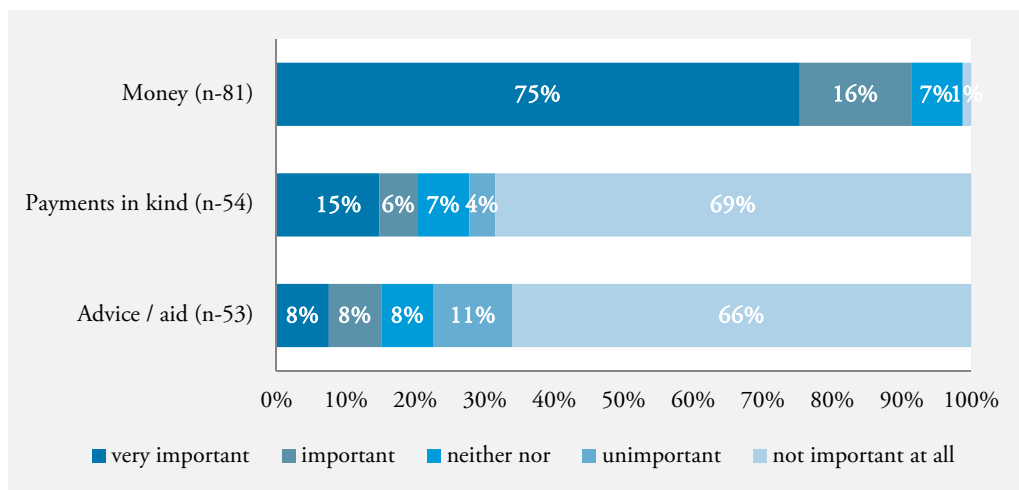
⁸ Source: Own illustration.

⁹ Source: Own illustration.

1.3 Main characteristics

For most of the foundations, monetary rewards play an important or even very important role. As you can take from figure 8, two thirds of the foundations provide financial support exclusively. Advice is provided and contributions in kind are made but overall, they play a subordinate role. In individual cases, however, it is nevertheless possible that a contribution in kind or advice may play a more important role than prize money.

Figure 8: Award components¹⁰



Overall, the awards in the sample involve a total amount of CHF 6.15 billion, which corresponds to an average prize sum of CHF 75,949. The prize money span, however, is very large: The minimum being CHF 200 and the maximum CHF 1 million (cf. figure 10). The distribution of prize money complies with the general performance of the foundations that are bound to their yield on assets. This explains why there are numerous small and only few large prizes. Half of the awards involve prize sums of up to CHF 20,000. Only 10 % of all prize money sums exceed CHF 200,000; whereas 50 % of the awards registered grant prize sums of between CHF 10,000 and CHF 55,000. As you can take from figure 9, approx. 1/5 of the prize money is purpose-related. In the remaining 80 % of the cases, distribution of the funds is not restricted. Approx. 30 % make the winning of the award subject to the obligation to, for instance, invest in further projects or submit a final report.

Figure 9: Distribution of prize money¹¹

	n	Yes	No
Purpose-related prize money	79	17	62
Requirements towards prizewinners	85	25	60

¹⁰ Source: Own illustration.

¹¹ Source: Own illustration.

FOUNDATIONS' AWARDS

The average duration for a foundation to award a certain prize is 18 years. One fourth of the prizes are awarded for a maximum duration of five years and only 10 % of the prizes have been awarded for more than 31 years now. This reflects the general evolution of the Swiss foundation landscape. Finally, more than half of the responding Swiss foundations were only set up during the past twenty years.¹⁴ The increase in the number of awards began around the year 1980. Primarily, these awards are granted once a year. In the case of an irregular awarding of prizes, frequency, amongst others, depends on the foundation's earnings of the past years.

Multiple answers to the question regarding the right to propose or nominate potential applicants demonstrates clearly the variety of different procedures and specific attributes. In the majority of cases, the right to make nominations and proposals, however, is held by the foundation board (31.9 %) or by a jury (14.9 %). Founders are less likely to have the right to make nominations and proposals: Only one foundation stated that its founder has this right. Nevertheless, the founder is often involved in the selection procedure, as a member of the foundation board. However, he or she does not have this right based on his or her position as the founder. In 20 % of the cases, another institution can submit nominations or proposals. This is often the case if a distinction is closely linked to one or to several institutions. In Arts and in Research, a museum or a faculty are often granted the right to make nominations and proposals. 25.5 % of the prizes are awarded following an open call for tenders in which anyone can partake. On average, the period for the submission of applications is 23 weeks, with a standard deviation of 15 weeks. The minimum is 6 weeks; the maximum, one year.

Figure 10: Important key figures with regard to awards¹²

	n	Mean value	St. deviation	Median	Min.	Max.
Prize money in CHF	81	75,948	176,329	20,000	200	1,000,000
Award granted since (years)	83	17.7	20.5	13	0	155
Application period (weeks)	47	23.4	15.3	18	6	52

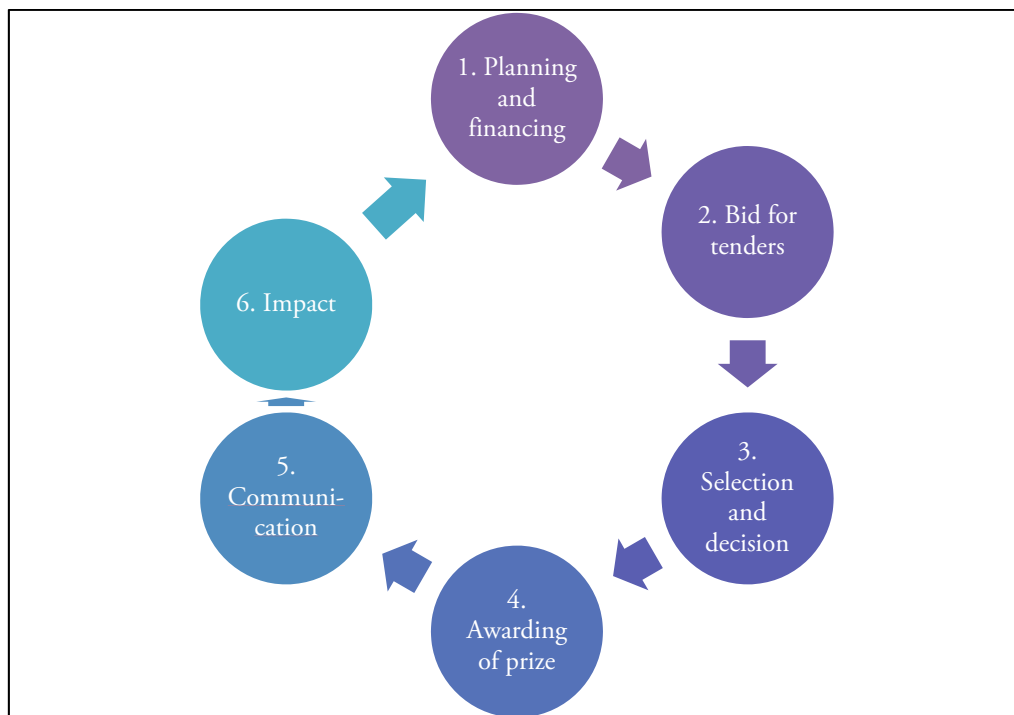
¹² Source: Own illustration.

2. Planning, designing and informing of awards

The individual processes governing awards, distinctions and competitions¹³ must be designed conscientiously and in a goal-oriented manner – from the idea to the working out of the final documentation. This chapter provides information on essential planning phases and their implementation. The corresponding procedure can be applied to prepare a new award as well as to check and develop further existing awards.

Figure 11 provides an overview of the six phases of implementation of an award. Because each phase can have an impact on the next call for tenders, the entire process was illustrated as a cycle.

Figure 11: Award design process¹⁴



2.1 Planning and financing

A award depends on coherence between the selection procedure, the award content, and the list of prizewinners. Whereas the last aspect develops over the course of time, the two other components depend primarily on the preparation and planning of the award. A complex selection procedure would not make much sense for an award consisting of a certificate and a pin. Similarly, a six-digit prize sum cannot be awarded without being based on a transparent application procedure, if the award is to be recognized by experts.

¹³ On planning and designing competitions, the series „Orientierung für soziale Investoren“ („Orientation for social investors“), was published by Bertelsmann Editors (no date).

¹⁴ Source: Own illustration.

Sound preparation of a award comprises an analysis of the environment in which the prize will be awarded, a target definition, and a strategic approach as well as a rough implementation plan – and in the case of a financial reward, long-term financial planning.

Planning phase 1: Reflection and analysis

A award concept can be based on differing experiences, interests and encounters. The initial impulse to create an award, however, should be based on an analysis of the necessity and potential of such a new award; amongst others, a definition of the existing facilitating instruments and distinctions within the field. Only the necessary knowledge of the current situation allows for an award to be designed in view of achieving the goal set out. Furthermore, contact with experts and specialized organizations opens up new possibilities for subsequent support or cooperation.

Following the analysis, the foundation should know which stakeholders are active in the field foreseen, which facilitation measures already exist and who the opinion leaders and trendsetters are. Figure 12 demonstrates clearly to which degree existing prizes awarded in different fields can vary. Although a comparable number of prizes are awarded in Arts & Culture, in Education and in Research, they vary largely in terms of the prize sums awarded. On average, art prizes amount to only CHF 24,411; whereas the average amount in Education and Research is CHF 126,937. In the fields of Business and Society (CHF 100,222), Environmental Protection (CHF 86,667) and Social Welfare (CHF 92,000), the prize sums awarded are comparable. In other words, similar forms of awards are to be found in these fields. Such awards are granted only rarely in other fields, with prize money being correspondingly modest (CHF 27,750).

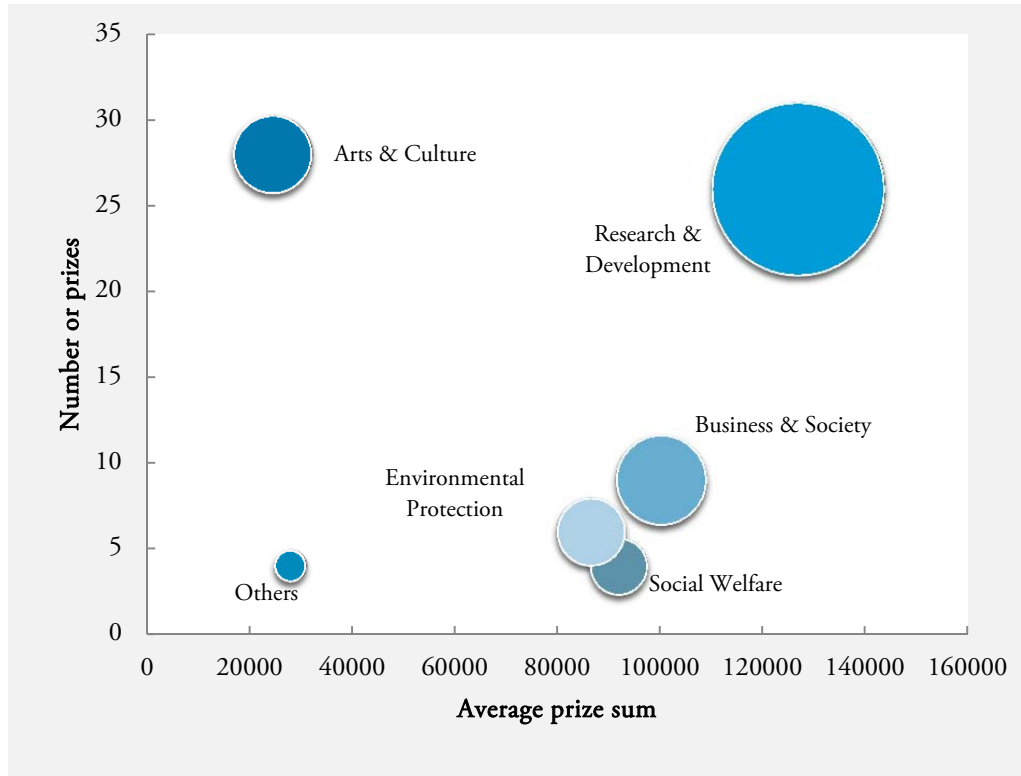
A geographic differentiation makes it clear that prize money increases in line with the corresponding radius. The shift from local to cantonal can be explained with the indistinct order of size (e.g. the town of Zurich vs. the canton of Appenzell Innerrhoden). Prizes awarded on cantonal level (Ø CHF 15,218) vary between CHF 200 and CHF 50,000; on local level (Ø CHF 34,039), they vary between CHF 600 and CHF 200,000. International awards are granted less frequently, however, their average of CHF 169,365 is clearly higher than that of the more frequently awarded national awards (average of CHF 68,274).

If such prizes have already been awarded several times, during planning, less attention should be placed on the development and design of the prize and more on verifying whether the award still fulfills the goals set out and whether adaptations might have to be made.

Practical advice:

Often, industry associations and government bodies can provide corresponding lists, that is to say they have the necessary industry knowledge to provide valuable insight and support.

Figure 12: Portfolio of awards in various different fields and according to geographical spread (n=77)¹⁵



Planning phase 2: Target definition and strategic approach

As any other foundation activity, content goals must also be determined for awards. Based on this, the strategy describing the mid- and long-term development of the award can be determined.

At the beginning, the following points should be considered:

- Which is our target group?
On the one hand, an award is characterized by the fact that only a limited number of persons or organizations can be taken into account. On the one hand, the stricter the limitation, the greater the risk of missing out on eligible and high-caliber awardees. On the other, too slack a definition can lead to randomness and a lack of profile that in turn, could have an adverse impact on the perception and recognition of the award.
- What characterizes this award?
Based on the specific requirements of the target group, the award can offer corresponding incentives. If the target group is not motivated by material rewards, the distinction could be a pure expression of esteem, the honor of receiving such a highly reputed award being sufficient in itself. If the award is to be positioned as the most highly remunerated in its field, the prize sum must be sufficiently high to stand out from among existing awards and to thus justify its significance in the long run.
- How to define topical limitation?

¹⁵ Source: Own illustration.

A topical limitation is as important as a target group definition. This explains why major awards are often divided into subcategories in order to facilitate the selection of prizewinners. Topical limitation must be in line with the foundation's purpose but should not be described in all too concrete terms in order to make subsequent adaptations possible. Concrete conditions governing the awarding of the prize can be rendered more precise within the scope of a tender, guidelines or regulations.

- Which impact should the award have?

Depending on the strategic approach and implementation, a award can draw different forms of attention to itself outside of the foundation. If a larger audience is to become aware of the award, the choice of prizewinners must be made correspondingly and communication must be planned carefully. You will also need to ask yourself which aspects (for the recipients or the experts) will have an impact on the award's significance.

In addition to the factual priorities, the strategy must also describe how the award is to contribute to achieving the foundation's purpose and its goals. Therefore, you should consider whether the prize should be awarded over a limited period of time and at which intervals award ceremonies should take place.

Planning phase 3: Rough implementation plan

Once the essential pillars for the award have been defined, a rough organizational plan and roadmap for the implementation of the award need to be worked out. The road map should comprise deadlines for the execution of the planning phases in general. In addition to this, the persons responsible for these individual planning phases should be determined.

Planning phase 4: Financial plan

Awards are long-term facilitation instruments. Granting them only once does not fulfill this purpose and does not justify the time and work invested by the foundation and the applicants. Therefore, prior to the prize being awarded for the first time, a financial plan ensuring the long-term availability of the prize money should be worked out. Basically, two different models are feasible: Either a fixed prize sum, or a prize sum depending on another financial factor, e.g. whether capital yield from the defined sum will be paid out in full or not. A fixed prize sum simplifies the working out of a financial plan and makes an equational financial strategy possible. Simultaneously, it must be taken into consideration that the real value of the prize sum will decrease over the course of the years, due to inflation.

A variable prize sum will lead to an uneven distribution of the prize money among the individual prizewinners. In the survey described above, 40 % of the responding foundations, the minority, stated that they award fixed prize sums. From among those foundations awarding variable prize sums, nine provided information on the assessment basis for the annual prize sum. As was to be expected, the majority of respondents stated the financial standing of the foundation as the most important reason. Further reasons mentioned were the quality of the works submitted (is the main prize justified?) or the splitting of the prize sum among several prizewinners.

A financial plan can help a foundation to determine how it wishes to earn the prize sum foreseen and to ensure the liquidity of the award. In addition to the prize money, the costs for the preparation of the award, for the tender, the execution, the award ceremony, and communication also need to be planned. These costs obviously depend on the design and goals of the award.

Award guidelines

At the end of the planning phase, essential criteria such as content, schedule and organization need to be laid down in corresponding guidelines to serve as an implementation basis and a basis for the tender.

2.2 Tenders

The tender is the fuel for the achievement of the award goals. On the one hand, the tender should inform of the evaluation criteria; on the other, a successful call for tenders will have a positive impact on the number of applications and correspondingly, on the chance of identifying a good prizewinner. Depending on the goals, three ideally typical forms of tender can be made out: the open, the closed, or the nomination tender.

Open tenders

An open tender is to awaken the interest of as large and varied a number of applicants as possible. The award will be made public knowledge by using different media (posters, advertisements, billboards, direct mailing, press releases, Internet, newsletters, etc.). Anyone believing to fulfill the criteria may then apply. The larger the number of applications, the more work will be involved in assessment and selection, leading to corresponding requirements towards infrastructure (staff, offices, software). Therefore, open tenders are only suitable for awards aiming at informing the public of a specific topic or at helping foundations to gain an overview of the institutions and persons active in a specific field. Such open tenders are helpful in providing information on (new) organizations and persons not (yet) known to the foundation.

Closed tenders

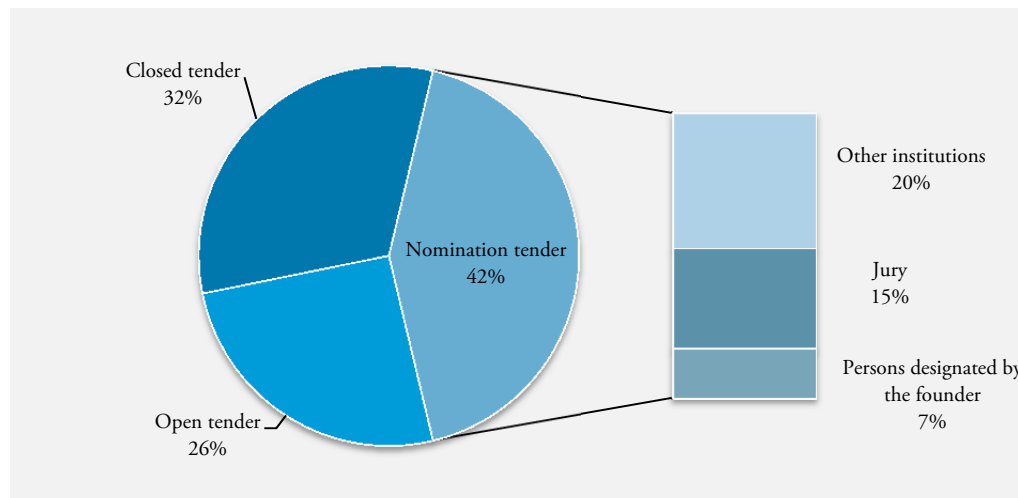
Contrary to open tenders, closed tenders are procedures according to which the foundation chooses its potential applicants or prizewinners itself. A closed tender helps to reduce the administrative workload for the foundations and facilitates planning with regard to the design and development of the award. Thanks to the specific choice of prizewinners or the restricted number of persons invited to apply, the foundation can fix priorities more easily, without the risk of the tender developing a life of its own – which is often the case with open tenders. This is simultaneously the advantage and disadvantage of a closed tender. On the down side, the foundation runs the risk of dealing with the same institutions, topics and persons all of the time. This hinders a forward strategy and an innovative use of the award.

Nomination tenders

A frequently chosen compromise between open and closed tenders are nomination tenders. Instead of making a choice itself, the foundation will mandate a body to suggest applicants or prizewinners that will subsequently be chosen by a jury. Experts, government institutions, beneficiaries, or a mixed panel can make this selection. The foundation will thus gain vast support with regard to the choice of suitable candidates and will simultaneously be able to reduce its administrative workload. The responding foundations indicated that they practice all three tender forms (cf. Figure 13).

Thus, 26 % practice open tendering, 32 % closed, and 42 % nomination tendering. In the case of closed tenders, as a rule, the foundation board will make the choice. Only one foundation stated that the founder makes this selection. In the case of nomination tenders, other institutions such as schools, universities, public authorities or umbrella organizations are often involved. Only in 15 % of the cases does the prize jury also serve as the nomination panel. In only 7 % of the cases is the nomination carried out by persons designated by the founder.

Figure 13: Tender procedures (multiple answers possible, n=85)^{F16}



Tender content

The quality of applicants depends largely on the wording of the tender and the information provided. The better the regulations governing the awarding of the prize are aligned towards goal achievement, the easier the choice of prizewinners. Even if a tender is to be designed and presented individually, according to topic, applicants, and preferences, it should nevertheless contain the following information:

- **Presentation of the foundation**
Following a brief presentation of the foundation or of the founder, either you can promote yourself or you can help applicants to obtain a better image of the setting of the award. Information on the topics of the foundation and the corresponding promotional activities should also be provided.
- **Goals and mission of the award**
The description of the goals and mission of the award should awaken the interest of applicants or other interested persons as well as explaining why the foundation is dedicated to this topic.
- **Information on the applicants**
In the tender, possible prizewinners need to be described. As mentioned in chapter 2, prizes can be restricted geographically or with regard to individuals, teams, or legal persons. Moreover, exclusion criteria should also be laid down (e.g. age limits, social conditions, education and training, etc.).

¹⁶ Source: Own illustration.

- **Information on the awarding criteria**
Every applicant should know in advance which criteria the jury will be paying special attention to. Therefore, essential decision criteria must be mentioned (e.g. originality, feasibility, financing, etc.).
- **Exclusion criteria or exemptions**
In certain cases, a award foresees that, in addition to the regular awarding of the prize, a special prize may also be awarded for the most creative or original (etc.) application submitted. This bit of information can be shared in advance in order to receive exceptional applications. Moreover, exemption criteria (e.g. no projects already realized) will allow potential applicants to improve upon their chances.
- **Benefits of the award**
The benefits of the award comprise all elements that are part of the award. In addition to the prize sum, this includes support such as coaching or benefits in kind (e.g. travel, congress attendance, publications, etc.). If there is an alumni association for prizewinners, affiliation to such can also be listed as a benefit.
- **Information on procedure**
The tender should provide, as clearly as possible, a description of the precise procedure applying to the award, including submission, decision and other deadlines.
- **Form of decision-making**
If no jury will be awarding a prize, then a specific procedure may be mentioned here. Other than this, the jury members or president may be listed here – provided they contribute to emphasizing the significance of the prize.
- **Tasks and obligations entailed by a distinction**
Some prizes foresee that the prizewinner fulfill certain obligations, e.g. hold a speech, perform a concert, implement a prize-winning project, etc. In such cases, it is recommended that the prizewinner be informed of the necessity to fulfill these obligations and to convene with him or her that they be duly fulfilled. Only then should the awarding of the prize be made public knowledge.
- **Information on the term and extent of the application**
This is where general information on the formal criteria applying to the application should be provided.
- **Contact at the foundation**
Finally, a contact address at the foundation should be provided (if necessary, also include the office hours).

2.3 Selection and decision

It is a major challenge to choose an appropriate award winner from among the applications and nominations. At the end of the day, the final decision should not only contribute to the achievement of the foundation purpose but should primarily encourage the acceptance and future development of the award. To ensure that the decision be well founded, it makes sense to prepare the decision-making process and identify the participants and selection criteria during the preparatory phase.

Process

Depending on the form of tender, the applications submitted and their number, decision-making processes can vary considerably. A certain degree of structure is recommended, in particular if a jury or panel of experts also comprises external persons and involves them in the decision-making process. If there is a large number of applicants, for instance, the foundation's secretarial office might wish to make a preselection in order to eliminate unacceptable or incomplete submissions or to request the submission of additional information. Especially in the case of open tenders, the secretary's office may wish to preview the applications in order to make the work of the expert's panel easier. Finally, it remains to be decided whether the jury will be sending out to the applicants documentation in advance or if information will be handed out on site. In the first case, jury members will be able to familiarize themselves with the individual candidates; in the latter, greater jury impartiality can be ensured.

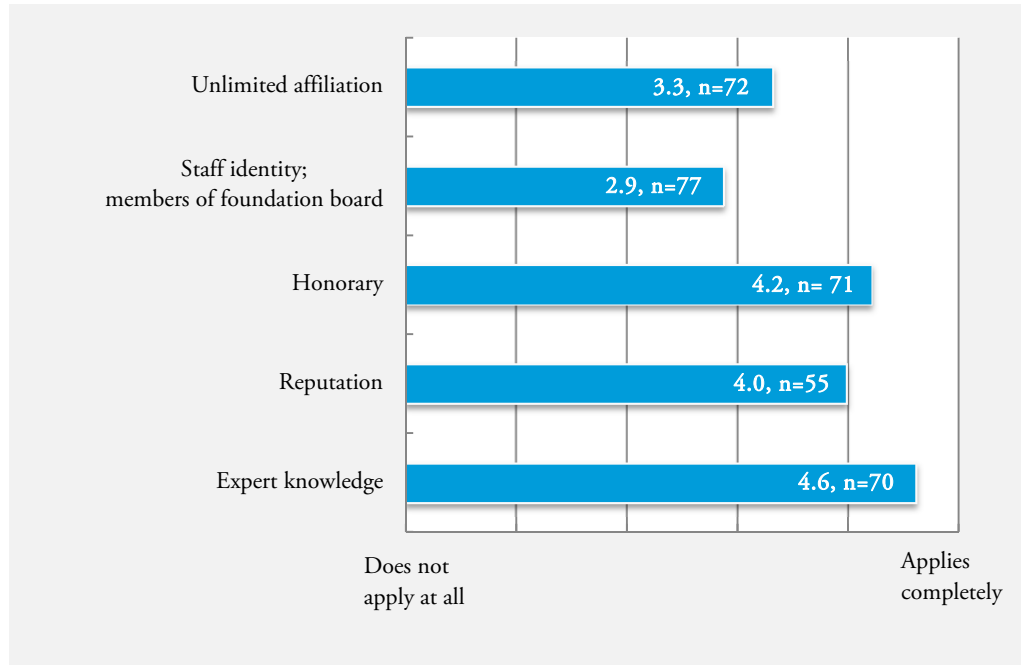
In a further step, the decision-making panel will agree upon a certain number of possible candidates. This shortlist will then be discussed and the candidates checked once again with regard to compliance with the prevailing criteria. Once the prizewinner or winners have been identified, they should be informed as rapidly as possible. Especially if the tender relates to a specific topic, the other competitors also need to be informed, because applications often lead to expectations and hopes. Handling all applications professionally also reduces the risk of applicants who were not accepted refraining from applying again in the future.

Participants

Jury work is one of the most interesting tasks of a foundation, because it allows you to gain insight into a large number of exciting, innovative and successful projects or meet their authors. The further careers of the prizewinners can be observed and decisions made can be confirmed on the basis of positive developments in the future. Within the scope of the study, 80.0 % of the responding foundations indicated that a jury chooses the prizewinner. The requirements towards the professional knowledge of the jury members outweigh those towards famous names. Name recognition is, however, important if the award intends to draw public interest (cf. Figure 14).

In addition to this, jury and panel members usually work on a voluntary basis and their services are only available for a restricted period of time. Nevertheless, fluctuation rates are not particularly high in the panels – which can prove to be beneficial for cooperation and coordination within a jury.

Figure 14: Criteria governing the composition of a jury¹⁷



A jury is usually composed of persons from within and outside of the foundation. In addition to members of the foundation board or executive management, external experts or representatives of other institutions often also serve as jury members. On average, a jury consists of 6.9 persons, with the number varying between 1 and 20 persons among the foundations surveyed. If no jury is involved, usually the foundation board itself will assume the task of deciding.

With regard to the number of jury members, no clear practical recommendation can be made. However, certain individual factors having an influence on the size of the jury can be determined (cf. figure 15). Among the foundation prizes and awards examined, the number of jury members increases in line with the prize sum. The number increases the more the award is perceived by the public, e.g. if the prize is awarded to a famous personality or if media response to it is positive.

Figure 15: Factors influencing the number of jury members (regression analysis) F¹⁸

Dependent variable: number of jury members		
Dependent variable	Co-efficient R2	Standard error
Prize sum	0.264***	3.05927
Media interest	0.167**	3.17455
Awarding by a personality	0.119**	3.31487
Number of sponsorship projects of the foundation	0.144*	3.12947

¹⁷ Source: Own illustration.

¹⁸ Source: Own illustration. Level of significance: *** p≤0.001; ** p≤0.005; * p≤0.01.

Criteria

Selection criteria is the third factor that can clearly facilitates the decision-making process. The better the tender was prepared (re. chapter 2.2) and communicated, the easier the defining of selection criteria.

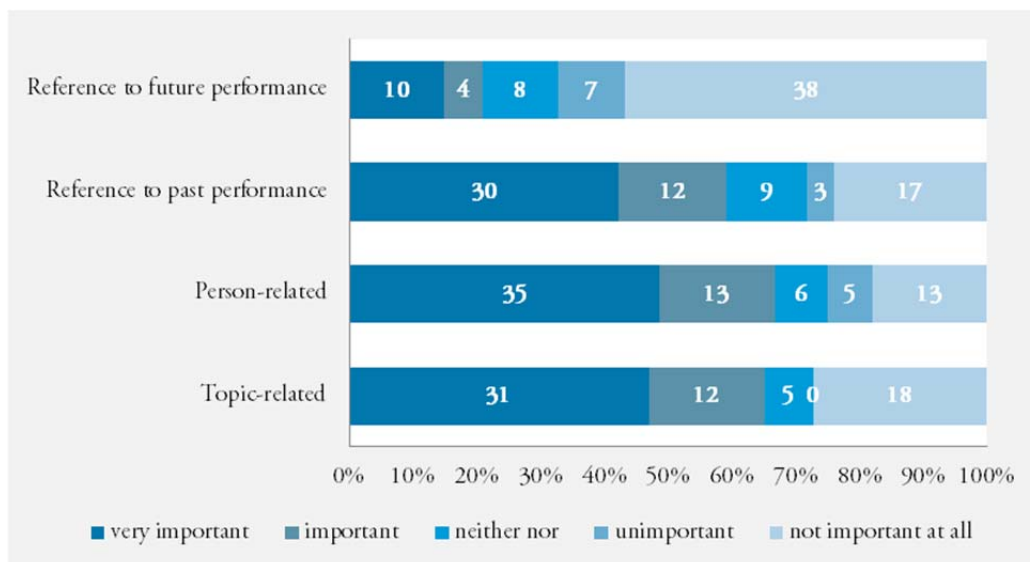
On the one hand, annually changing tender topics and the definition of tasks make evaluation all more time-consuming, because the criteria must be redefined every year. On the other, a clearly defined topic guarantees unambiguous instructions. Within the scope of the present study, 22 awards or 27.2 % of the foundations have changing topics and 19 %, that is to say 24.4 %, require the solving of a specific task. After the deduction of dual mentions, 35 foundations or 43.5 % put to use possibilities to restrict and define the topic.

Figure 16 illustrates clearly that for the tender, person-related criteria is somewhat more important than topic-related criteria. In addition, the majority of awards are based on past performances, that is to say past performances are confirmed, and the evaluation of existing potential is considered a less important factor.

In order to check the choice of selection criteria in advance, you should address the following issues:

- Were the criteria formulated clearly and were they easy to understand?
- Were the criteria sufficient to make possible an efficient selection in line with the number of applications? Should the number of applicants be increased or reduced?
- Can the criteria be justified in public and in dealings with interested stakeholders?

Figure 16: Significance of different categories of selection criteria (n=66)¹⁹



The decision-making process of a award can never be completely objective and in line with fixed criteria. This would not correspond with the character of a competition, the variety of ideas, or the personalities of the individual applicants. The jury will have to agree upon one or possibly, several prizewinners and often enough, the determining factors will be emotional in nature. The defini-

¹⁹ Source: Own illustration.

tion and planning of the decision-making process, the participants, and selection criteria should therefore serve to accelerate the process and offer basic decision-making support.

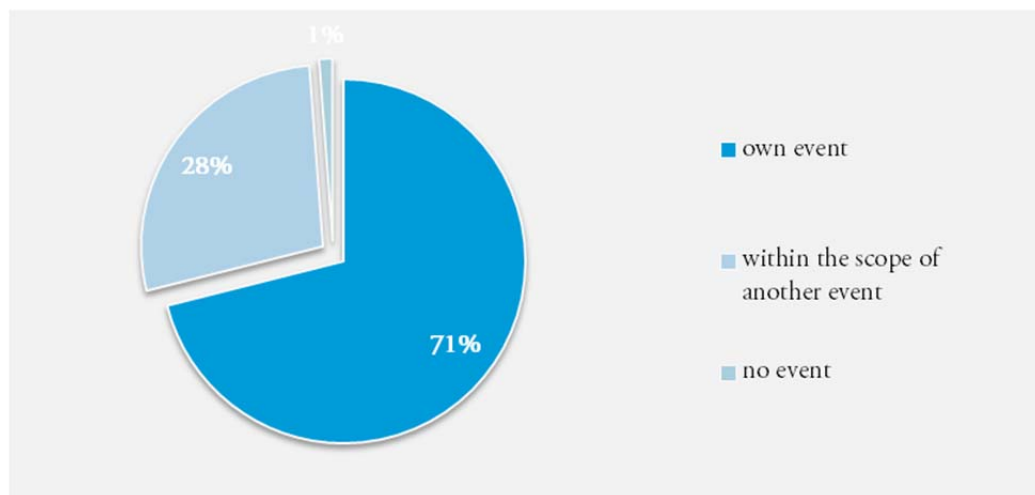
2.4 Award ceremony

Once the prizewinner has been chosen and informed, the question needs to be addressed as to how and in which form the prize is to be handed over to its winner. With only one exception, all awards are given away at corresponding events. The majority of the respondents, i.e. 71.1 %, carry out special award ceremonies in order to emphasize the importance of the prize (cf. Figure 17).

Such ceremonies allow the foundation to draw attention to the topic of the award and thus, to the foundation's purpose as well as offering to the prizewinner a stage. This is a particular benefit in the case of awards granted for successful and innovative projects or organizations that could serve as roles models.

Such events or ceremonies are also a good platform for networking and the exchange of information. The foundation should enable guests to do so, e.g. by offering cocktails prior to or after the ceremony. 80.5 % of the responding foundations indicated that their award ceremonies are popular; whereas 13 foundations (17.3 %) stated that their award ceremonies are intentionally kept on a small scale and primarily so, for financial reasons.

Figure 17: Scope of the prize awarding ceremony (n=73)²⁰



Even if an award ceremony is also always a presentation platform for its organizer, focus should be placed on the prizewinner, e.g. with a presentation, a laudatory speech, or an acceptance speech. Planning should also take into account the number of prizewinners (cf. figure 1). Only 25 % of the foundation prizes in the study are granted exclusively to one sole winner. One third of the foundations grant several prizes at the same event and the remaining 41 % basically give away prizes to several winners.

The following points may help you to ensure interesting award ceremonies:

²⁰ Source: Own illustration.

- Invitation: send out in due time; personal or open invitations? Possibly already indicate the prizewinner; also ask the prizewinner whom to invite; ask participants to register in order to ensure better planning
- Entertaining program: music or performances; cocktails
- List of speakers: foundation representatives, laudatory speech, prizewinner, welcome address, expert's speech, keynote, etc.
- Press work during and after the event (re. chapter 2.5)
- Documentation in foundation's own communication means (website, annual report, newsletter, etc.)

The award ceremony is closely linked to general communication and needs to be aligned correspondingly. The following chapter contains information on the most important elements of a foundation's successful communication strategy.

2.5 Communication

In the introduction, sponsorship prizes were described as the ideal instrument to distinguish and decorate performance or encourage specific topics. This function, however, can only be fulfilled by a prize, if due communication is ensured. Communication is therefore one of the central issues of an award.²¹ It is only thanks to communication that an award will acquire a decisive added value, thus distinguishing itself from simple scholarships and project support. The planning and design of communication should be carried out just as carefully as the choice of prizewinners. The following communication aspects should be duly considered:

- What needs to be communicated?
- And how?
- To whom?
- At which price?

Content

Basically, award communication can be ensured in two different manners: Either by placing focus on the topic or on the prizewinner. Focus is placed on the topic, („Award XY for monumental protection“), if the foundation wishes to inform of current problems in a specific field or of the importance of the overall issue. Focus is placed on the prizewinner, („Victor Giacobbo will be receiving the award of foundation XY“), if the public is to be informed of the prizewinner and its interest for the topic awakened. The study results demonstrated that prizewinner communication is considered to be more important than information on the sponsorship topic.

Communication means and channels

In order to reach as vast an audience as possible and to inform of the foundation, the prizewinner and the topic, it is recommended that several communication means be used in combination. Thus, a link to an (electronic) press release could be added to the foundation's website or a brochure on the award could be offered for downloading from the website. Video clips or presentations on the prizewinners are more extensive means of communication but can serve as excellent information material for the foundation. Often, press conferences are unable to bring about the response desired. Therefore, they should only be carried out if the topic is of pronounced current

²¹ Re. Holze/Schmidt (2005), S. 727 ff.

relevance or interest or if the prizewinner is a famous personality and will be attending the ceremony in person. Otherwise, it is usually more promising to invite the press to an award ceremony.

Practical advice

The growing interest in foundations has also been picked up by the media. There are several specialized journals that should be considered with regard to communication work.

www.stiftung-sponsoring.de

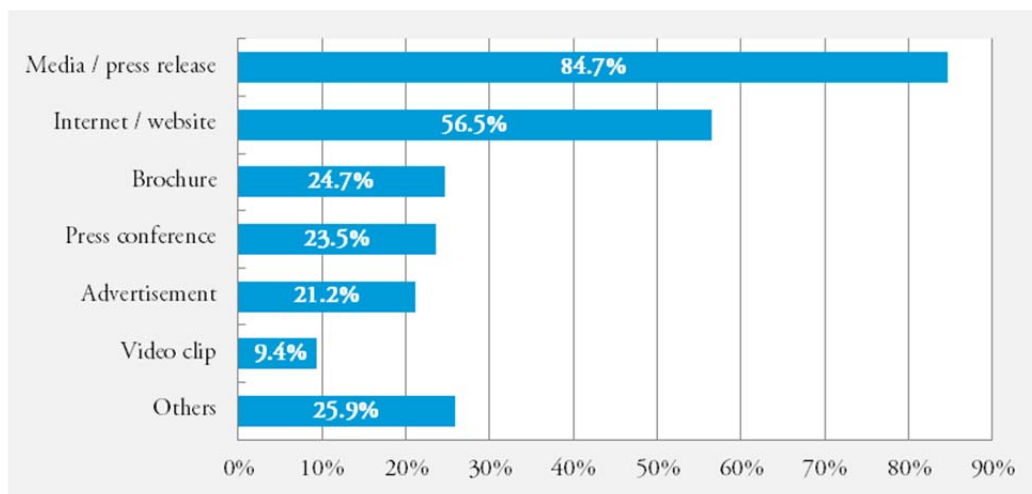
www.die-stiftung.de

www.werte-stiften.de

In particular after the award ceremony, informing of the event and simultaneously advertising future competitions can prove to be a successful strategy. The ad should, however, appear in specialized journals or online sites in order to keep costs low and be effective.

The results provided in Figure 18 show that foundations mainly choose cost-efficient communication channels as well as press releases to inform of their awards. Answers on other tools such as brochures, advertisements, press conferences, and video clips, however, show that often, a combination of at least two or three different communication channels is used.

Figure 18: Use of different communication channels (n=85) F²²



Further specific communication channels are special mailings, internal communication within the organization, or radio and TV reports. Social media platforms such as Facebook, Twitter or YouTube are hardly ever used. This can, on the one hand, be led back to the amount of time that needs to be invested to update continuously the information; On the other, in general, non-profit organizations have only gradually begun to make use of social media. Especially for public choice awards or youth awards, however, use of social media is well worth considering, because it allows you to reach out to a vast audience.

Responsibility

²² Source: Own illustration.

In view of ensuring effective communication, it is essential that the responsibility for and contributions to communication be regulated clearly. A media contact needs to be determined and communication deadlines fixed, e.g. with regard to new prizewinners, as well as coordinated with other organizations or persons involved. Especially with regard to press communication, the when-to-inform can have a decisive impact on media reaction.

According to the study, primarily the foundation board is responsible for communication. This result emphasizes the pronounced honorary character of the Swiss foundations landscape. If in place, executive management and in part also project management, can also be put in charge of communication.

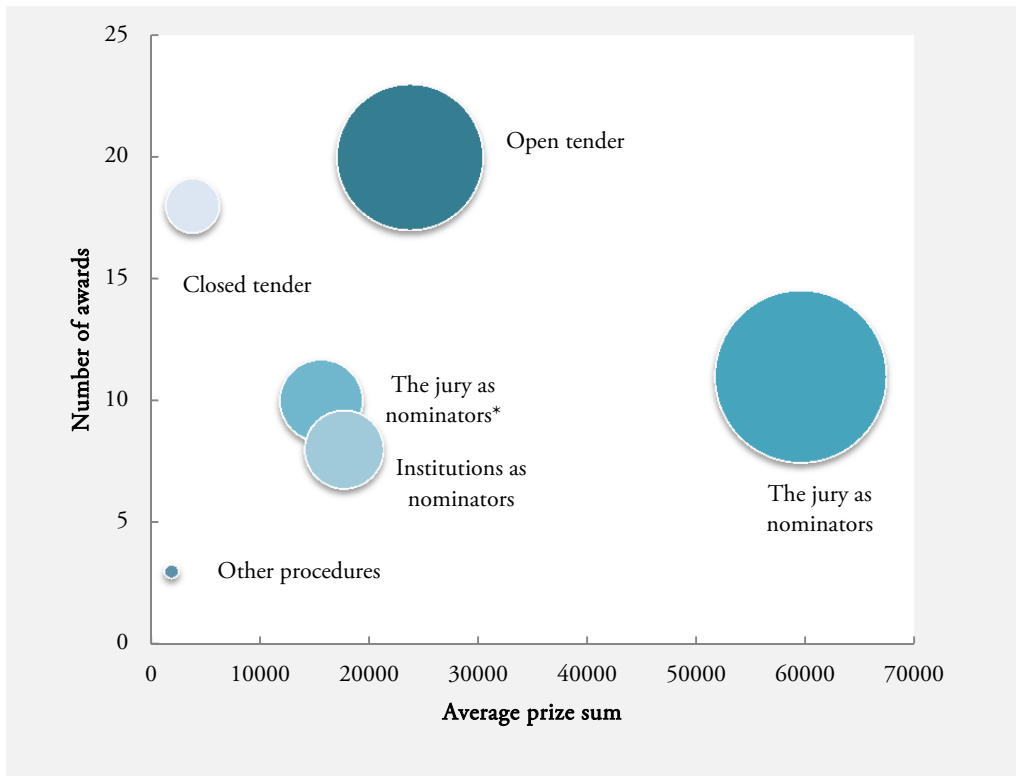
Costs

Communication costs vary strongly according to the extent and choice of communication means. The responses provided within the scope of this study vary from smaller expenditures up to CHF 500,000, with a median of CHF 2,000 and a mean value of CHF 22,392. This demonstrates that the majority of foundations invest only modestly in communication, which in turn corresponds with the responses regarding communication means. Communication costs account for an average of 24.1 % in comparison to the prize sums awarded.

Figure 19 illustrates that communication costs vary, according to the nomination procedure, too. There is a trend towards closed tenders entailing the lowest communication costs and open tenders or nomination tenders often leading to higher communication expenditures. However, because all categories also comprise awards not involving any communication expenditures as well as a few spikes due to high(er) costs, these results are not statistically relevant and should not be generalized. The category “the jury as nominators” was listed twice, whereas the information with an * was calculated without considering the highest value. Consequently, this category fell behind two other categories.

A frequently used counter-argument to higher communication costs or general additional expenditures to the actual prize sum is the purpose-related use of foundation means. Correspondingly, the costs of an advertisement are considered to not be purpose-related. This is true to the degree to which the foundation's purpose explicitly states the prize sum and a distinction. If a award, however, was chosen as a mean, but not mentioned in the foundation deed, then additional expenditures are to be considered direct project costs also serving to fulfill the foundation's purpose. After all, the award is supposed to draw attention to a certain topic and its winner is to serve as a role model for others. To achieve these means, sound communication is essential. Consequently, communication means need to be chosen in view of ensuring public perception of the award and a corresponding impact.

Figure 19: Communication costs in comparison to the tender procedure (n=70)^{F23}



2.6 Impact

The measuring of the efficiency of sponsorship performance is a difficult task as such, because results are only rarely clear and difficult to distinguish from other influences. ^{F24} Therefore, it is hard to determine subsequently whether an artist has only had a successful career thanks to his or her having won a certain award. In other words, it is hard to determine how much the award contributed to the artist's overall success. However, contrary to other sponsorship forms, in the case of a distinction, at least the beneficiaries can be identified clearly, thus facilitating follow-ups.

The impact of an award is to be led back primarily to its significance among experts and potential future prizewinners as well as the attention it is able to draw to itself in public. The higher the recognition of the prize, the more attention it will receive and subsequently, the more attention will be paid to the foundation's goals.

Figure 20 provides the results of a regression analysis of the factors influencing the significance of an award in summary. It demonstrates clearly that – apart from communication – different factors play a role for the individual stakeholders. For the beneficiaries, that is to say for the potential prizewinners, clear tender criteria and information as well as the existence of a jury are positive factors. Consequently, for the beneficiaries, information provided prior to a tender is essential with

²³ Source: Own illustration.

²⁴ Cf. von Schnurbein/Timmer (2010), p. 261 ff.

regard to the value of a award. Based on this information, potential applicants can carry out a cost-benefit analysis to help them decide whether they wish to apply or not.

Figure 20: Significance of awards for the stakeholders F²⁵

Dependent variable	Significance for the beneficiaries		Significance for experts		Significance for the public	
	Co-efficient	Standard error	Co-efficient	Standard error	Co-efficient	Standard error
Tender	0.133**	0.89571	0.08	0.97441	0	0.96119
Decision	0.033	0.92234	0.043	0.99855	0.001	0.94081
Jury	0.170***	0.9174	0.05	0.98124	0.003	1.00484
Number of jury members	0.061	0.86771	0.042	0.94539	0.163**	0.92917
Communication	0.169***	0.89238	0.111**	0.9081	0.232***	0.83678
Prize sum	0.48	0.98588	0.08	0.99236	0.1	0.965117
Age	0.01	1.01109	0.061	0.9793	0.021	0.99027

Significance level: *** $p \leq 0.001$; ** $p \leq 0.005$

For the public, significance increases in line with the number of jury members. This might be surprising at first glance, however, the context is feasible, if you consider that information on the jury and its members is often the only bit of information provided in addition to information on the actual award. Therefore, if the public is not informed of the procedure, the decision-making process, etc.; it often forms its opinion based on the composition of the jury. A larger number of jury members increases the probability of the public having heard about one of the jury members. Correspondingly, the jury is not only an important internal body with regard to decisions to be made but its composition can also serve as a decisive external communication factor. The prize sum as well as the award's tradition, however, contrary to the expectations of this study, have no influence on the significance of a award, as perceived by the stakeholders, the public, experts, and the beneficiaries. The regression analysis of the prize sum demonstrates a high correlation among the beneficiaries, remains, however, insignificant and cannot, therefore, be generalized. The specific question regarding the prizewinner's interest in the award, however, shows a very high and positive correlation with the prize sum ($r = .84$; $p < 0.01$). Seen from this perspective, the prize sum can very well play an important role for the beneficiaries.

All in all, this study demonstrates the high relevance of an effective communication of a award. For experts, communication is even the sole statistically significant factor having an influence on the perception of the award. Whereas the question of an independent and neutral decision is not relevant for any group of stakeholders, a widespread communication of the award is all the more so. For the public, the greatest correlation is to be found here. For potential prizewinners, as well, the significance of an award increases, the more the award is reported about. This context is more than evident. After all, for the prizewinner, in addition to the financial support provided, winning such an award is primarily a tool to advertise further support, assistance and backing, etc.

²⁵ Source: Own illustration.

In comparison to other foundations investments, the value and significance of an award depend much more on extensive and goal-oriented communication. Therefore, communication needs to be considered from the beginning and the necessary resources need to be allocated to it. According to the results of this study, additional financial expenditures for communication amounted to an average of 24.1 %. This value could be used as an approximate value for budgeting.

TEN QUESTIONS FOR YOUR PLANNING

3. Ten questions to assist you with your planning

1. Why is the award the appropriate tool to achieve your foundation's purpose?

Granted, a award is a stylish form of support, but it is not always the best mean to achieve a foundation's purpose. Awards should not be granted haphazardly and innumably in order to not lessen their impact. The distinction and rewarding of individuals also always lead to disappointment and envy. Therefore, you need to check whether your foundation's purpose could be achieved more efficiently with other means.

2. Did you identify the suitable target group for your award?

Marketing theory defines market segments that, based on characteristic criteria and size distribution, result in reasonable and designable units. Similarly, a award should always address as homogeneous a target group as possible to avoid arbitrariness and problems with regard to the choice of winners, thereby increasing acceptance within the target group.

3. Which are the benefits for the award winners?

The award is granted by the foundation, but not granted for the foundation. Prior to making plans, ask yourself which prize sum or other advantages could prove to be beneficial to the prize-winners. Also check what a potential award winner will be able to do with the prize money.

4. How should the potential prizewinners learn of the award?

A award is only as good as its winners. Therefore, you need to ask yourself how to contact and inform the best possible applicants. You can either do so via mediator organizations such as associations or information centers or put to use your own network and contacts. Using word-of-mouth alone limits the number of applications and also hinders a coordinated and target-oriented communication.

5. What distinguishes a specific award from others?

In addition to foundations' awards, there are also a large number of distinctions made by state bodies, companies, associations, etc. A classic "me-too" strategy would therefore not be sufficiently successful for a award. Ask yourself what makes your prize unique and special. It does not always need to be the largest sum of money; its uniqueness can also be based on additional offers, access to networks and contacts, or other aspects. This question is closely related to question 1.

6. How to render a award prestigious?

In order to benefit fully from the potential of your award, you should attempt to identify its sustainable values. The award's reputation and prestige are based on the continued fostering and encouragement of these core issues and corresponding communication. The selection of jury members or the definition of annual work topics can help you to develop further the profile of your award.

7. Can your award draw upon a sound financial basis?

A award is not a one-time activity, but it is not recurrent event either. Financing your award and the additional costs involved must be ensured in the long-term. This means that funds allocated to the award must be invested in a yield-oriented and not risk-oriented manner. Because you are familiar with the annual distribution sums over several years, you can choose corresponding investment forms. Continuity will allow you to focus increasingly on the selection and decision-making processes.

8. Which partners to involve in the award ceremony?

Organizing an award ceremony is time- and money-consuming and often very expensive in relation to the prize sum. Check whether a partnership with another institution (museum, university, association, etc.) could make sense and prove to be beneficial for both parties. An award ceremony is an interesting item on every conference agenda and will make it easier for your foundation to work out an accompanying program.

9. Who has the necessary expertise to choose prizewinners?

The composition of a good jury is a rare but also consequential task. Begin with a small jury and expand upon it step by step. Thus, you can build upon a common wealth of experiences to define the selection procedure and style and to thus contribute to the reputation and significance of the award.

10. Who will need your award in 10 years?

This question will put you to test: Is your award really necessary? Discuss this idea with potential prizewinners, experts, or person knowledgeable about foundation prizes. This will help you to improve upon the award and to determine whether it has potential or whether there might be a different and better method to provide support in this field.

Appendix: Explanations of statistical analyses and factors

This study investigates the data it is based on with regard to its descriptive structure and identifies causal relationships between individual factors and indicators. It determines absolute as well as relative frequencies. Usually, only percentages are indicated in the tables. Financial values are primarily analyzed with arithmetic means and median.²⁶

Arithmetic mean (mean value)

The mean value is the sum of all observations, divided by their number. Intrinsically, the characteristic sum is divided evenly between all characteristic categories. In relation to the prize sums, this means that the mean value comprises precisely half of the prize sums that in general, are invested by the majority of the awards.

Correlation analysis

The correlation analysis is the analysis of relations between the variables. The correlation mass indicates the strength of the relation. The bigger “r” (between 0 and 1), the stronger the relation between the two variables.

Median

The median describes the value of a random sample, sorted according to the size of its values, and dividing the number of observations made into two halves of the same size. At least 50 % of the values are larger or as big as the median; at least 50 % are smaller or equal to the median. In comparison to the mean value, the median usually has a lower value, because extreme values have little influence on the calculation.

Regression analysis

The regression analysis examines the relation between one or several dependent variables and one or several independent variables. A simple regression analysis is based on a regression function describing the dependence of a variable on another and derived from this, the cause-impact relationship. The co-efficient of determination, R^2 , measures the intensity of the relation between the independent and the dependent variable. The larger the co-efficient (between 0 and 1), the higher the share of the spread explained with regard to the overall spread.

Significance

Significance describes the measure of probability for the correctness of a statement made on a random sample characteristic in relation to the population parameter. The significance level thus describes the probability of error with which false decisions would be made, if the same test were to be repeated 100 times. In basic research, a probability of error of 5 % ($p > 0.05$) is a common threshold value.

²⁶ The explanations of the statistical analyses and values are based on Tscheulin/Helmig (2004).

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